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SIPDIS SENSITIVE

STATE FOR NEA/MAG PLS PASS TO FORMER PPRESIDENT CARTER

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SUBJECT: SCENE SETTER FOR FPOTUS CARTER

- $\underline{\ }$  1. (SBU) Summary: Former President Carter, my staff and I warmly welcome you and the delegation of The Elders to Morocco. The Kingdom of Morocco is a country "on the move," in the throes, albeit unevenly, of change and reform. Economic growth will continue to approach six percent per year despite the global financial crisis. A bumper crop will offset drops in investment, tourism and remittances, which have boomed in recent years and have become important sources of income. Slums are coming down, and according to official statistics, so is unemployment. Freedom of the press is greater than seen here ever before and than in the rest of the region, but those who cross redlines can still face jail. Other human rights have grown as well, although Morocco remains very much under the control of a monarchy and a system with roots going back hundreds of years. Neither the Parliament nor the 33 political parties with seats in it have much power. Most voters stayed away from the last parliamentary election in 2007 which saw the first international observation ever, funded by the USG. Some 35,000 local council seats are up for grabs in elections on June 12. Morocco recently allocated to women some 3,000 of those seats (12 percent, up from 0.5 percent or 130 seats at present), and the USG has funded campaign training for over 3,500 women candidates in the last 90 days. Morocco's top priority in foreign relations is U.S. and other countries is broader international support for its position on the Western Sahara territorial dispute and for North African integration. End Summary.
- (SBU) We understand that you will meet during your stay here with Andre Azoulay, a close mission contact and highly respected Counselor to King Mohammed VI. As the most prominent Jewish Moroccan and a moderate voice on the Middle East, he promotes Moroccan religious tolerance through a variety of ways, including the arts. Morocco is protective of the tiny remnant of its once substantial Jewish minority. The late King Hassan II helped promote Middle East peace by welcoming then Prime Minister Shimon Peres for an official visit in 1986, and Morocco can have a similar, peripherally supportive role in the future. King Mohammed VI chairs the Organization of the Islamic Conference's (OIC's) Jerusalem Committee and has lobbied hard against any efforts to change the historically Islamic and Arab characteristics of the city, including residence demolitions.

Economics, Trade and Assistance

- ¶3. (SBU) The economy is relatively healthy, although marred by disparities in wealth. Growth is expected to be above five percent this year, despite the global economic slowdown, thanks to anticipated bumper harvests. Moroccan authorities are concerned, however, about the risk of more serious impacts on important export, tourism, and remittance earnings if the global recession continues. Since implementation of the U.S.-Morocco Free Trade Agreement (FTA) on January 1, 2006, bilateral commerce has more than doubled. U.S. firms have increased their investment in Morocco, seeing new markets develop as a result of the FTA.
- (SBU) We are focusing our bilateral assistance to Morocco on youth and women, targeting four priorities: economic growth, counterterrorism, democracy and governance, and supporting quality education. U.S. assistance includes projects under the Millennium Challenge Corporation (MCC), USAID, Peace Corps, and the Middle East Partnership Initiative (MEPI). Building on decades of USAID and Peace Corps efforts, the MCC signed a five-year, USD 697.5 million Millennium Challenge Account Compact with Morocco in 2007 to reduce poverty and increase economic growth. The MCC will support five major projects selected for their potential to increase productivity and improve employment in high potential sectors of Morocco's economy: Fruit Tree Productivity, Small Scale Fisheries, Crafts, Financial Services, and Enterprise Support.

## Internal Issues

- 15. (SBU) Governance Reform: Morocco's political parties and the bicameral parliament are weak. The Parliament provides no effective check on the monarchy or government. Constitutional change may someday lead to increased democracy, but both Parliament and parties will have to improve their capacity and performance. Although the September 2007 parliamentary elections were the most transparent in the country's history, record low participation, i.e., 37 percent of registered voters, reflects the lack of voter confidence in the institution.
- 16. (U) June Local Elections: The Government of Morocco has allocated 12 percent of the seats in hotly contested local and municipal council elections on June 12, up from less than 0.5 percent now. The entry into politics of over 3,000 elected women office holders (the 130 now in office have historically been more effective and immune to corruption) and many thousands more candidates can have potentially transformational impact. The USG has sponsored the training of over 3,500 women over the past 90 days, via an unusual collaborative project between the National Democratic Institute (NDI) and International Republican Institute (IRI). NDI is also training party poll watchers, but we are unaware of any formal international observation or great interest in it for this election. Some of the most interesting contests, including in Marrakesh, will involve a new Party, the Party of Authenticity and Modernity (PAM), founded by a well-known friend of the King and former Deputy Interior Minister Fouad Ali el Himma. Among the leading parties are Prime Minister Abbas El Fassi's Istiqlal, the Islamist-referent Party of Justice and Development (PJD) and the Socialist USFP, which lost votes last time out.
- 17. (SBU) Human Rights and Reform: King Mohammed VI has embarked on an ambitious and continuous program of human rights reforms that includes the Arab

world's first truth commission, a revised family code and growing governmental transparency, accountability and rule of law. 2008 saw some incidents of concern related to freedoms of expression and press. Although Morocco is a paragon of reform in the region, the reforms are still not deeply rooted in law or Constitution and could be rolled back. Continued support and encouragement from partners like the United States and Europe are essential. One recent development is the expansion of cultural rights and outlets for Berbers, one of the largest groups in Morocco and perhaps the largest.

## External Issues

- 18. (SBU) Western Sahara: Moroccan foreign policy is dominated by defending and seeking international recognition of its sovereignty claims over Western Sahara. The issue is a source of tension with longtime rival Algeria, which has historically supported the POLISARIO Front's quest for independence by way of a UN-sponsored referendum. The issue led Morocco to leave the African Union. In April 2007, Morocco proposed a new autonomy plan for Western Sahara, and a series of UN-sponsored negotiations with the POLISARIO have taken place in Manhasset, New York. The Moroccan proposal would provide Sahrawis, the indigenous people of Western Sahara, autonomy in administering local affairs under Moroccan sovereignty. There have been four rounds of talks but none since the April 2008 renewal of the mandate of the UN peacekeeping mission, MINURSO. Following the controversial lapsing of the contract of the former UN Secretary General's Personal Envoy, the UN selected retired U.S. Ambassador Chris Ross to be the new Personal Envoy. The U.S. Government has called for the new envoy to maintain past progress. In April, the UN renewed the mandate of the UN peacekeeping operation until 2010.
- 19. (SBU) Western Sahara Continued: Sahara experienced gross violations of human rights from 1975 until the end of the Hassan II regime and repression increased after the short-lived Sahrawi "intifada" of 2005. Since late 2006, Morocco has slowly improved the human rights situation in the territories. Arbitrary arrests have sharply diminished and beatings and physical abuse by security forces have all but disappeared. Even dissenters now can travel freely. They cannot, however, publish or speak publicly in support of independence, or a vote on self-determination.

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